

# **NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY**

**2004 - 2005 Annual Report and  
2005 – 2006 Proposed Budget**



# **Naranja Lakes CRA Annual Report**

## **Fiscal Year 2005**

### **(10-01-04 to 9-30-05)**

#### **Introduction**

The Naranja Lakes Community Redevelopment Agency (CRA) was formed by Miami-Dade County in 2002. The Agency's Redevelopment Plan was adopted in May 2003 (R-418-03), as was a County ordinance (03-106) establishing the agency's Trust Fund. The Agency continued to facilitate the primary Mandarin Lakes Traditional Neighborhood Development (TND) project in the CRA Area in the past year, and made substantial progress on the first phase of the CRA-funded public infrastructure improvements. This report will address the primary operating aspects of the Agency, revenue growth, and progress made on the primary redevelopment project in FY 2005, as well as, the proposed budget and Agency plans for the coming year.

#### **I. Board**

The Naranja Lakes CRA Board is made up of up to nine Board members. During 2005 Mr. Mario Espineira and Mr. Norm Kramer left the Agency Board and their seats have not been filled.

As of September 30, 2005 the Board Members were:

Joan Carter  
Kenneth Forbes  
Rene Infante  
Parsuram Ramkissoon  
Stuart Archer  
Daniel Lipe  
and Chairperson "Nina" Gail Betancourt.

## **II. Staffing**

The Naranja Lakes CRA Board was staffed on a part-time basis by members of the Miami-Dade County professional staff. Mr. Jurgen Teintze of the County's Office of Strategic Business Management lead the County support team, advising the Board, executing its day to day business, preparing meeting agendas and ensuring that the Board's directives are implemented. Mr. Glenn Saks from the County Attorney's Office provided legal counsel, as did Mr. Steve Zelkowitz of the law firm of Weiss Serota Helfman Pastoriza Guedes Cole & Boniske. Additionally, the Board engaged Mr. John Ritsema to coordinate the primary development project bid awards, contracts and construction payments. Extraordinary support services provided by County staff, triggered the payment of a nominal sum of \$35,000 to the County General Fund as provided for in the inter-local agreement between the CRA and the County. For the fiscal year 2005-06, this amount will be adjusted to \$65,000 to reflect the estimated cost of services from County departments.

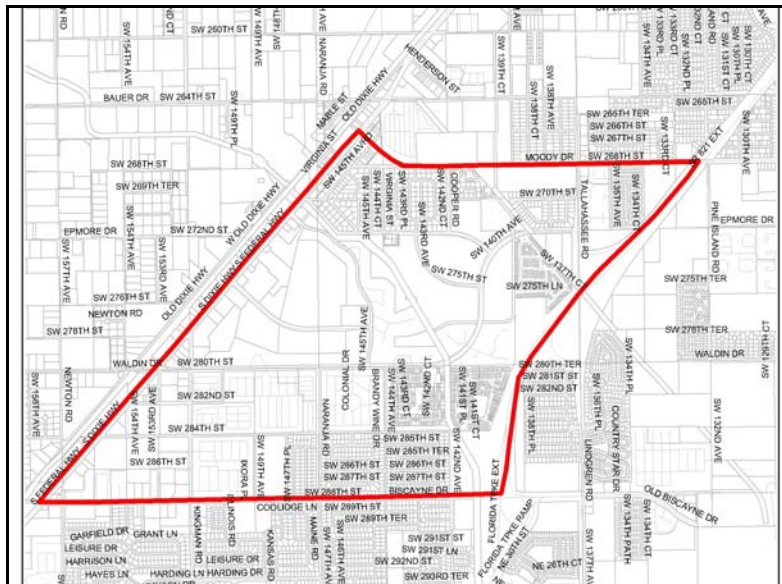
## **III. Administrative Procedures**

The Agency by-laws establish the Agency composition, purpose and powers, meetings and notice requirements and administrative procedures. No significant modifications to the by-laws were adopted during the most recent fiscal year.

## **IV. CRA Plan Implementation**

During the year, the Agency continued to aggressively implement the adopted CRA Plan. The focus of implementation was on the facilitation of the existing Mandarin Lakes TND project and on expanding the Agency's knowledge of the market and unmet program needs for identification of future projects and programs, including those that would require CRA funding support.

## Naranja Lakes CRA Area



### Mandarin Lakes TND



- This project, developed by Mr. George DeGuardiola and the Naranja Lakes Holdings LLC companies was given the official name of Mandarin Lakes and aggressively began its implementation of the infrastructure development agreement. The CRA is funding this project with \$18 million to pay for water and sewer, streetscaping, drainage and public plaza and community building improvements, all of which are on public right of ways, County property, or on land that will be deeded over to the CRA. The developer is responsible for delivering these improvements and in 2005 has completed the design, land clearing work, as well as water and sewer work. The developer awarded bids for about \$4.8 million for the first phase of construction in 2004, and, through the home builder D.R. Horton, is expected to complete work on a number of residential units by the end of calendar year 2005.
- The Mandarin Lakes development made substantial progress with the sale of a 73-acre

portion of the projects 212 acres to D R Horton Inc. in April 2004. This nationally renowned home builder has caused additional infrastructure to be built, such as water and sewer, and arterial road work has sufficiently progressed on their privately held land, along with the re-platting of the site, so that construction is well underway on the first phase of the 800 home sites in late 2005.



### **Plan Consistency**

The implementation of the redevelopment plan's primary development project, which is under construction, combined with the substantial increase in the CRA tax base attest to the "bottom line" success of CRA implementation. The Agency continued implementing a public information campaign, supplementing its informational brochure with the launching of a web page in late 2005 on the Miami-Dade County website.

### **IV. Tax Base Growth and 2004-05 Proposed Budget Results**

The basic continuing goal of the Naranja Lakes CRA is the expansion of the property value base of the Area to the maximum extent possible, consistent with the adopted Redevelopment Plan. The 2004 taxable value of the CRA Area grew from the 2003 taxable value of \$153 million to \$188 million up 23%, and up a cumulative increase of 43% since the CRA's inception in 2003. Total revenues in FY 2004-05 were \$455,713. Of this amount, \$133,036 is the UMSA (Unincorporated Municipal Service Area) tax increment contribution, and \$322,677 is expected from Miami-Dade County. There

was also a cash carryover from the prior year of \$3,790,126.

On the expenditure side under administration, the CRA's largest expenditures were for legal services \$14,171; and \$1,998 for clerk and meeting costs. Including the \$35,000 cost of staffing by Miami Dade County, the total administrative expenses of \$51,694 was 11.4% of current year revenues, and well within the 20% administrative cap contained in the approved Interlocal Agreement. County oversight administrative charges at 1.5% of County tax increment contributions were \$6,836 and County reimbursement of start-up cost advances was \$41,000, representing the second installment of three payments.

Operating expenditures totaled approximately \$2.96 million in FY 2004-05. The largest expenditure was for \$2,822,895 which was for infrastructure improvements, and \$123,297 for interest costs. Contractual services were at \$20,130, which includes project management services. The approved FY 2004/05 Naranja Lakes CRA Annual Budget and results (as Projected) are shown in Exhibit A.

## **V. Proposed Budget for 2005-06**

In August 2005 the Agency Board approved a budget for 2005-06 based on preliminary projections of cash balances at the end of 2004-05. On December 5, 2005 the board re-approved this budget based on final millage based revenues.

The actual expenditures noted in section IV (above) reflect the new information received subsequent to the year-end closing and are also tied to the updated Financial Statement of Revenues and Expenditures and Fund Balances for 2004-05.

The main elements of the proposed budget includes all the same projects and line items as per Exhibit A, except that the cash carryover from 2004-05 and the debt reserve/contingency in the 2005-06 budget have since been updated here.

Revenues include TIF growth, of 68% to \$765,165 and proceeds of a new debt issuance of \$5 million.

Administrative Expenses in the proposed budget include \$65,000 for Miami-Dade County staffing, legal expenses of \$12,000 and remains below 12% of TIF revenues.

Operating Expenses include \$5,000,000 for continued infrastructure improvements; \$663,385 for



interest payments; \$125,000 for studies on security, and US 1 corridor plans and needs, and other studies to be determined later. A further \$45,000 and \$60,000 are included for the beginning of a residential and a commercial property rehabilitation grant program.



**Naranja Lakes  
Community Redevelopment Agency  
FY 2005 - 2006 Proposed Budget**

**Exhibit A**

(FY 05-06 begins October 1, 2005)

	FY 03-04 Budget Adopted	FY 03-04 Actual	FY 04-05 Budget Adopted	FY 04-05 Projection	FY 05-06 Budget Proposed
<b>Revenues</b>					
UMSA Tax Increment Revenue	51,100	51,051	133,036	133,036	538,810
County Tax Increment Revenue	124,500	124,528	322,677	322,677	226,355
Carryover from prior year	-		3,790,126	3,790,126	1,187,300
All other revenues (name)					
New Bond Issues (net of Cap interest)		5,000,000	5,000,000	-	5,000,000
Interest earnings		2,502	22,500	7,885	31,000
<b>Revenue Total</b>	<b>175,600</b>	<b>5,178,081</b>	<b>9,268,339</b>	<b>4,253,724</b>	<b>6,983,465</b>
<b>Expenditures</b>					
<b>Administrative Expenditures:</b>					
Employee salary and fringe					
Contractual services	20,000	7,623	20,000	14,171	10,000
Insurance					
Audits and studies	2,500	-	2,500	175	2,500
Printing and publishing			4,000	350	4,000
Clerk and meeting costs	1,500	1,790	3,000	1,998	3,000
Advertising and notices	2,000	7,666	2,000	-	2,000
Travel			1,000	-	1,000
Rent/lease costs					
Office equipment and furniture					
Other admin (Direct County support)	5,000	5,000	35,000	35,000	65,000
<b>(A) Subtotal Admin Expenses and %</b>	<b>31,000</b>	<b>22,079</b>	<b>67,500</b>	<b>51,694</b>	<b>87,500</b>
County Administrative Charge	2,634	2,634	6,836	6,836	11,477
County Reimbursement of Advances	41,000	41,000	41,000	41,000	40,718
<b>(B) Subtotal Admin Expense</b>	<b>74,634</b>	<b>65,713</b>	<b>115,336</b>	<b>99,530</b>	<b>139,695</b>
<b>Operating Expenditures:</b>					
Employee salary and fringe					
Contractual services		9,270	40,000	20,130	30,000
Insurance					
Audits and studies					125,000
Project Mgt supplies	1,000		1,000	-	1,000
Marketing					
Special events					
Legal services/court costs	15,000		10,000	572	15,000
Land/building acquisitions					
Infrastructure improvements		1,302,388	7,200,000	2,822,895	5,000,000
Building construction & improvements					
Debt service payments (Interest)			150,000	123,297	663,385
Redevelopment grants given out					105,000
Redevelopment loans issued out					
Transfers out to others (attach list)					
Debt Issuance Costs		10,585	15,000		15,000
<b>(C) Subtotal Oper. Expenses</b>	<b>16,000</b>	<b>1,322,243</b>	<b>7,416,000</b>	<b>2,966,894</b>	<b>5,954,385</b>
<b>(D) Debt Reserve/Contingency</b>	<b>84,966</b>		<b>1,737,003</b>	<b>-</b>	<b>889,385</b>
<b>Expenditure Total (A+B+C+D)</b>	<b>175,600</b>	<b>1,387,956</b>	<b>9,268,339</b>	<b>3,066,424</b>	<b>6,983,465</b>
<b>Cash Position (Rev-Exp)</b>					
	-	3,790,126	-	1,187,300	-
<b>Primary Redevelopment Project</b>					
	Multi-year Proposed Expenditures	FY 03-04 actual	FY 04-05 Budget Expenditures	FY 04-05 Estimated Expenditures	FY 05-06 Proposed Expenditures
County loan proceeds est \$19.1 mm	19,100,000	5,000,000	5,000,000	0	5,000,000
Capitalized Interest Reserve/Issuance	3,454,972	10,585	15,000	-	15,000
Available after cap interest, issuance	15,645,028	4,989,415	4,985,000	-	4,985,000
County project mgt cost	255,000	9,270	40,000	20,130	30,000
Construction Payments	15,390,028	1,302,388	7,200,000	2,822,895	5,000,000
Carryover available		3,677,757	1,422,757	834,732	789,732
<b>Transfers Out to Others</b>					
	FY 03-04 budget	FY 03-04 actual	FY 04-05 budget	FY 04-05 Projection	FY 05-06 Proposed
County Advances beg bal	122,718	122,718	81,718	81,718	40,718
Repayments for County advances	41,000	41,000	41,000	41,000	40,718
Other admin (Direct County support)	5,000	5,000	35,000	35,000	65,000
County Administrative Charge	2,600	2,634	6,836	6,836	11,477
<b>Total Transfers out:</b>	<b>48,600</b>	<b>48,634</b>	<b>82,836</b>	<b>82,836</b>	<b>117,195</b>
<b>New Projects</b>					
security studies					75,000
us 1 corridor plan aesthetics and econ dev					30,000
other studies to be determined					20,000
Redevelopment grant program - residential improvements					45,000
Redevelopment grant program - commercial property improvements					60,000
					230,000



## Exhibit A Worksheet

### Naranja Lakes C.R.A. Projected Tax Increment Financing Formula and Projections

#### Without Completion of Project

actual taxable value 2002	<b>131,292,949</b>	<b>NEW BASE</b>
actual taxable value 2003	<b>153,481,459</b>	
increase in taxable value 02/03	<b>22,188,510</b>	<b>17%</b>
actual taxable value 2004	<b>188,293,539</b>	
increase in taxable value 03/04	<b>34,812,080</b>	<b>23%</b>
cumulative increase 02/04	<b>57,000,590</b>	<b>43%</b>
millage countywide plus umsa	<b>0.008314</b>	
03/04 payment to CRA at 95%	<b>175,579</b>	
04-05 payment to CRA at 95%	<b>455,731</b>	
05-06 payment to CRA at 95%	<b>775,122</b>	

#### Assuming Completion of Project

year three: completion of 800 units at \$250,000  
 180,000,000 after \$25,000 homestead exemptions  
 year five: completion of 700 units at \$225,000  
 140,000,000 after \$25,000 homestead exemptions  
 (25,000,000) doubling of homestead exemptions

projected growth in taxable value

**17%**

year 1

**future projected growth in taxable value:**

**3.0%**

thereafter

**3.0%**

year	base (less project) taxable value	tax increment at 95%
2004	153,481,459	175,579
2005	168,293,539	295,827
2006	189,430,800	459,190
2007	170,113,724	306,618
2008	175,217,136	346,926
2009	180,473,650	388,444
2010	185,887,860	431,207
2011	191,464,495	475,253
2012	197,208,430	520,620
2013	203,124,683	567,349
2014	209,218,424	615,479
2015	215,494,976	665,053
2016	221,959,826	716,114
2017	228,618,620	768,707
2018	235,477,179	822,878
2019	242,541,494	878,674
2020	249,817,739	936,144
2021	257,312,271	995,338
2022	265,031,639	1,056,308
2023	272,982,589	1,119,107
2024	281,172,066	1,183,790
2025	289,607,228	1,250,414
2026	298,295,445	1,319,036
2027	307,244,309	1,389,717
2028	316,461,638	1,462,518
2029	325,955,487	1,537,503
2030	335,734,152	1,614,738
2031	345,806,176	1,694,290
2032	356,180,361	1,776,228
2033	366,865,772	1,860,625
	<b>cumulative</b>	<b>27,629,676</b>
	<b>NPV, possibly bondable</b>	<b>9,595,046</b>
		<b>at 95%</b>

project taxable value	tax increment at 95%	total tax increment at 95%
-	175,579	175,579
20,000,000	159,904	450,208
40,000,000	315,932	775,122
161,200,000	1,273,206	1,579,824
227,286,000	1,795,173	2,142,099
295,354,580	2,332,799	2,721,243
304,215,217	2,402,783	2,833,990
313,341,674	2,474,867	2,950,119
322,741,924	2,549,113	3,069,733
332,424,182	2,625,586	3,192,935
342,396,907	2,704,353	3,319,832
352,668,815	2,785,484	3,450,537
363,248,879	2,869,049	3,585,163
374,146,345	2,955,120	3,723,827
385,370,736	3,043,774	3,866,652
396,931,858	3,135,087	4,013,761
408,839,814	3,229,139	4,165,284
421,105,008	3,326,014	4,321,352
433,738,158	3,425,794	4,482,102
446,750,303	3,528,568	4,647,675
460,152,812	3,634,425	4,818,215
473,957,396	3,743,458	4,993,871
488,176,118	3,855,761	5,174,797
502,821,402	3,971,434	5,361,151
517,906,044	4,090,577	5,553,095
533,443,225	4,213,295	5,750,798
549,446,522	4,339,693	5,954,431
565,929,918	4,469,884	6,164,174
582,907,815	4,603,981	6,380,209
600,395,050	4,742,100	6,602,725
<b>cumulative</b>	<b>88,771,932</b>	<b>116,220,506</b>
<b>NPV at 6%</b>	<b>32,682,708</b>	<b>42,107,198</b>
	<b>at 95%</b>	<b>at 95%</b>

## **Naranja Lakes Community Redevelopment Agency**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

Fiscal Year Ended September 30, 2005

	Fiscal Year 2004-05
Revenues	
Intergovernmental	455,703.00
Interest	7,885.00
Total Revenues	463,588.00
Expenditures	
General Government	99,530.29
Capital Outlay	2,966,895.50
Total Expenditures	3,066,425.79
Excess (deficiency) of Revenues over Expenditures	(2,602,837.79)
Other Financing Sources	
Transfers in (See notes)	
Total Other Financing Sources	-
Fund Balances, beginning	3,790,125.75
Fund Balances, ending	1,187,287.96

## **VI. Other Agency Initiatives**

The Naranja Lakes CRA Board continues to meet with private developers who are proposing different projects in and around the CRA area. The Board also continues to receive updates from various County Departments such as Planning and Zoning and Police. The Departments are updating the CRA Board on a variety of issues and initiatives they are working on that impact the CRA area, such as Planning and Zoning's Charrette plan for Leisure City / Naranja Lakes which was completed in June of 2004. The Miami-Dade Police Department is updating the CRA Board on public safety issues and initiatives for greater security in the area, and receives continuous feedback from Board Members and community participants at Board meetings.

### **Planned Projects**

The Agency is continually looking for opportunities for redevelopment in the area. The CRA continues to look at future projects that can benefit the area and is in the process of reviewing the different scenarios available to them, in order to spur future growth for the CRA. These future initiatives include FDOT scheduled improvements project slated for the U.S. 1 corridor.



### **Enhanced Public Safety Program**

The Agency plans to conduct future studies on enhancing security for the area. Such studies will evaluate *Weed and Seed* programs and whether to engage enhanced Naranja Lakes Police patrols, over and above normal service levels, in the CRA Area only. The projected costs of such programs are yet to be determined.

### **Community Redevelopment**

Future infrastructure improvements to support greater development will be analyzed in studies on specific locations such as the U.S. 1 corridor. In addition, streetscape improvements as well as urban design uniformity will be encouraged in partnership with private developers to enhance area characteristics and identity. The area continues to benefit from the increase in residential and commercial development that is occurring in south Miami-Dade County. The CRA will continue to benefit as this development will continue to increase property values in the area.

### **Summary**

The Naranja Lakes CRA revenues are growing at a very healthy rate, it grew 17% in the first year, 23% in its second year, and is expected to grow at a continued rate of at least 3% thereafter. The completion of the Mandarin Lakes redevelopment project will further increase this growth and continue to benefit the CRA. The project has been a productive catalyst thus far. The CRA is ready to grow out of its initial stage and begin to become more proactive in the issues that affect the redevelopment of the area. The continued growth in housing developments is expected to continue as more people continue to move to South Dade. The area is one of the last remaining, where large expanses of land is available for residential development in the County, and the numbers of new housing starts in South Dade is reflecting that. The community redevelopment project and other activities, that are consistent with the adopted CRA Plan will continue to be implemented throughout FY 2004-05.



Leisure City / Naranja Lakes Charrette  
Citizens' Master Plan (October 2004)